

AMENDED IN ASSEMBLY AUGUST 7, 2006

AMENDED IN SENATE MAY 3, 2005

**SENATE BILL**

**No. 958**

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**Introduced by Senator Simitian**

*(Principal coauthor: Assembly Member Wolk)*

**(Coauthor: Senator Alquist)**

*(Coauthors: Assembly Members Berg, Liu, and Parra)*

February 22, 2005

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An act to amend Section 56836.15 of, to add Section 2558.7 to, and to repeal and add Section 42238.5 of, the Education Code, relating to public school finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 958, as amended, Simitian. School districts: declining enrollment.

Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county for each fiscal year.

Existing law requires the Superintendent of Public Instruction to make prescribed computations for the calculation of apportionments for the purpose of special education programs.

This bill would revise those computations, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 2558.7 is added to the Education Code,  
2     to read:

1 2558.7. Notwithstanding any other provision of law, the  
2 revenue limit for county office-operated classes serving pupils  
3 who are individuals with exceptional needs and classes serving  
4 court and community day school pupils shall be based on the  
5 greater of current fiscal year average daily attendance or prior  
6 fiscal year average daily attendance, pursuant to the same  
7 formula for determining prior year average daily attendance that  
8 is used for school district revenue limits pursuant to Section  
9 42238.5.

10 SEC. 2. Section 42238.5 of the Education Code is repealed.

11 SEC. 3. Section 42238.5 is added to the Education Code, to  
12 read:

13 42238.5. (a) For purposes of Section 42238, the average  
14 daily attendance for a fiscal year shall be computed pursuant to  
15 paragraph (1) or (2).

16 (1) (A) A district whose average daily attendance has  
17 increased since the ~~last~~ *prior* fiscal year shall use the average  
18 daily attendance for the current fiscal year, except as provided in  
19 this paragraph.

20 (B) A district whose average daily attendance has declined  
21 since the ~~last~~ *prior* fiscal year, for the first time, shall use the  
22 average daily attendance for the prior fiscal year.

23 (C) A district whose attendance has declined in the current  
24 fiscal year, and whose attendance declined in the ~~last~~ *prior* fiscal  
25 year, shall use the average of the average daily attendance for the  
26 prior two fiscal years.

27 (D) A district whose attendance has declined in the current  
28 fiscal year, and whose attendance declined in the ~~last~~ *prior* two  
29 or more fiscal years, shall use the average of the average daily  
30 attendance for the prior three fiscal years.

31 (E) A district whose attendance has increased for the first  
32 fiscal year or the second fiscal year after its attendance had  
33 declined for one or more fiscal years may elect to use the average  
34 of the prior three years.

35 (F) For the purposes of this paragraph, the average daily  
36 attendance used shall be the second principal report of  
37 attendance, except that the annual report of attendance shall be  
38 used when required by law.

39 (G) For purposes of this paragraph, the report of attendance  
40 for any prior year used pursuant to this section shall be adjusted

1 for any loss or gain of average daily attendance due any of the  
2 following:

- 3 (i) A reorganization or transfer of territory.
- 4 (ii) For the change in status of a necessary small school funded  
5 pursuant to Article 4 (commencing with Section 42280).
- 6 (iii) For any change in average daily attendance for pupils who  
7 are concurrently enrolled in adult programs and classes pursuant  
8 to Section 52616.17.

9 (2) Any school district that elects to receive funding pursuant  
10 to Article 4 (commencing with Section 42280) shall compute its  
11 units of average daily attendance for purposes of Section 42238  
12 by subtracting the amount determined in subparagraph (B) from  
13 the amount determined in subparagraph (A).

14 (A) The units of average daily attendance computed pursuant  
15 to paragraph (1).

16 (B) The units of average daily attendance resulting from pupils  
17 attending schools funded pursuant to Article 4 (commencing with  
18 Section 42280).

19 (b) For purposes of this article, regular average daily  
20 attendance shall be the base revenue limit average daily  
21 attendance, excluding summer school average daily attendance.

22 (c) If a school district's average daily attendance is based on  
23 averaging attendance from the prior two or three years, pursuant  
24 to subdivision (a), the attendance for the second prior fiscal year  
25 or the third prior fiscal year shall be adjusted consistent with the  
26 intent of Section 42238.51.

27 SEC. 4. Section 56836.15 of the Education Code is amended  
28 to read:

29 56836.15. (a) In order to mitigate the effects of any declining  
30 enrollment, commencing in the 1998–99 fiscal year, and each  
31 fiscal year thereafter, the superintendent shall calculate  
32 allocations to special education local plan areas based on the  
33 average daily attendance reported for the special education local  
34 plan area for the fiscal year in which the computation is made or  
35 the prior fiscal year, whichever is greater. However, the prior  
36 fiscal year average daily attendance reported for the special  
37 education local plan area shall be adjusted for any loss or gain of  
38 average daily attendance reported for the special education local  
39 plan area due to a reorganization or transfer of territory in the  
40 special education local plan area.

(b) For the 1998–99 fiscal year only, the prior year average daily attendance used in this section shall be the 1997–98 average daily attendance reported for the special education local plan area, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996.

(c) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is greater than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

(1) The statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11, added to the amount determined in paragraph (1) of subdivision (d) of Section 56836.155.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

(d) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is less than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall receive a funding reduction equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2):

(1) (A) For fiscal years 2004–05 and earlier, the amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year.

(B) Effective with the 2005–06 fiscal year, the statewide target amount of funding for the current fiscal year.

1 (2) The difference between the number of units of average  
2 daily attendance upon which allocations to the special education  
3 local plan area are based for the fiscal year in which the  
4 computation is made and the number of units of average daily  
5 attendance upon which allocations to the special education local  
6 plan area were based for the prior fiscal year.

7 (e) If, in the fiscal year for which the computation is made, the  
8 number of units of average daily attendance upon which the  
9 allocations to the special education local plan area identified as  
10 the Los Angeles County Juvenile Court and Community  
11 School/Division of Alternative Education Special Education  
12 Local Plan Area are based is greater than the number of units of  
13 average daily attendance upon which the allocations to that  
14 special education local plan area were based in the prior fiscal  
15 year, that special education local plan area shall be allocated a  
16 growth adjustment equal to the product determined by  
17 multiplying the amounts determined under paragraphs (1) and  
18 (2).

19 (1) The amount of funding per unit of average daily attendance  
20 computed for the special education local plan area for the prior  
21 fiscal year pursuant to Section 56836.10 multiplied by one plus  
22 the inflation adjustment computed pursuant to Section 42238.1  
23 for the fiscal year in which the computation is being made.

24 (2) The difference between the number of units of average  
25 daily attendance upon which allocations to the special education  
26 local plan area are based for the fiscal year in which the  
27 computation is made and the number of units of average daily  
28 attendance upon which allocations to the special education local  
29 plan area were based for the prior fiscal year.

30 (f) For the 2005–06 fiscal year and each year thereafter, the  
31 average daily attendance for the prior fiscal year for the purposes  
32 of subdivision (a) shall be the sum of the funded number of units  
33 of average daily attendance for each district or county office of  
34 education participating in the special education local plan area.